

**DELPHI**

# **Retiree Health Care Update**

**October 2006**

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## New Post-Employment Provisions

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- ◆ Discontinue Delphi Health Care when salaried employees:
  - Retire; and
  - Become eligible for Medicare in the normal course (i.e., age 65 or older, not as result of disability or end stage renal disease)
  - Also applies to Dental, Vision and Extended Care
- ◆ Continue paying current Medicare Special Benefit (for Pre-1993 Hires)
  - Assists with Medicare Part B Premiums
- ◆ Health Reimbursement Account based on retirement date
  - Only applies to pre-1993 Hires
  - Retired on or before 3/1/05:
    - \$20,000
  - Retired after 3/1/05:
    - \$10,000

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**DELPHI****Retiree Health Care  
Communications Roll-out**

<b>Item</b>	<b>Audience</b>	<b>Medium</b>	<b>Date</b>
<b>Announcement of Change</b>	<b>Actives/Retirees</b>	<b>Brochure/ Mail</b>	<b>March 2005</b>
<b>Retiree Meetings</b>	<b>Retirees (selected plant cities)</b>	<b>Face-to- Face</b>	<b>April 2005</b>
<b>Retiree Medicare Update</b> ◆Reminder of coverage cessation ◆Medigap and Retiree HRA info	<b>Retirees losing Delphi coverage Jan./Feb. 2007</b>	<b>Letter/ Mail</b>	<b>7/31</b>
<b>Special Options! Enrollment Newsletter</b> ◆Health care changes ◆Cost sharing changes ◆Introduction of Health Savings Account	<b>Actives/Retirees</b>	<b>Newsletter /Mail</b>	<b>9/18</b>
<b>Retiree Medicare Information Package</b> ◆Additional info on Medigap ◆Additional info on Retiree HRA	<b>Retirees losing Delphi coverage Jan./Feb. 2007</b>	<b>Letter/ Mail</b>	<b>9/27</b>

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## **Major “Gaps” in Medicare**

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- ◆ **Multiple Hospitalizations**
- ◆ **Hospitalizations lasting more than 60 days**
- ◆ **Skilled Nursing stays lasting more than 20 days**
- ◆ **Prescription Drugs (\$2,400 to \$5,451 is 100% retiree paid)**
- ◆ **Custodial Care**
- ◆ **Hearing Aids**
- ◆ **Substance Abuse Treatment**
- ◆ **Routine Dental Care**
- ◆ **Routine Vision Care**

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## **Medigap/Medicare Rx Coverage**

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### **♦Medigap**

- Health insurance policy sold by private insurance companies to fill the “gaps” in the original Medicare plan**
- Must follow federal and state law**
- Guaranteed issue and renewable if premiums continue to be paid**
- Open enrollment period available when first enrolled in Part B**
  - » Waives medical underwriting if enrolled when first eligible**
  - » Applies employer coverage to pre-existing condition exclusion period**

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## **DELPHI**

### **Available Medigap/Medicare Rx Plans**

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- ◆ Preferred arrangement through AARP/United HealthCare
- ◆ National carrier that underwrites Medicare drug plans for nearly 6 million seniors
- ◆ Full range of plans (depending on state of residence)
- ◆ Basic plan available in all states; most states have at least 3 plans available; some up to 12 plans
  - ◆ Rates based on experience of large group
- ◆ Wholly administered by UnitedHealthCare

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## Medigap Plan Benefits

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- ◆ **Twelve standardized plans (“A” through “L”) offering increasing benefits**
  - “A” covers Basic Benefits only
  - “B” through “L” cover additional benefits
- ◆ **Basic Benefits (Included in All Plans)**
  - Inpatient Hospital Care: Covers the Part A deductible and the cost of 365 extra days of hospital care during lifetime after Medicare coverage ends.
  - Medical Costs: Plans A-J cover the Part B coinsurance (generally 20% of the Medicare-approved payment amount). Plans K & L cover 50% and 75% (respectively) of the Part B coinsurance amount.
  - Blood: Covers the first 3 pints of blood each year.

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## Medigap Plan Benefits

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- ◆ Additional Benefits (depending on Plan)
  - Skilled Nursing Coinsurance
  - Part B deductibles
  - Part B excess charges
  - Foreign Travel Emergency
  - At-Home recovery
  - Preventive Care

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## UHC/AARP Medigap Plans - 2007

PLAN	A	B	C	D	E	F	G	H	I	J	K [1]	L [2]
<b>Hospitalization: Part A deductible</b>												
· <b>Medical Expenses: Part B Co-insurance</b>												
· <b>Blood: First three pints of blood each year</b>	X	X	X	X	X	X	X	X	X	X	50%	75%
<b>Part A Coinsurance (after 60 days per stay)</b>	X	X	X	X	X	X	X	X	X	X	X	X
<b>Skilled Nursing Co-insurance</b>												
· <b>Foreign Travel Emergency</b>	X	X	X	X	X	X	X	X	X	X	50%	75%
<b>At-Home Recovery</b>												
<b>Part B Excess Charges</b>							100%	80%		100%	100%	
<b>Part B Deductible</b>	X											
<b>Preventive Care *</b>							X					
<b>Average Monthly Premium**</b>	\$103	\$140	\$163	\$151	\$155	\$163	\$155	\$147	\$155	\$169	\$75	\$106

[1] \$ 4,140 maximum out of pocket, indexed to Medicare costs

[2] \$ 2,070 maximum out of pocket, indexed to Medicare costs

\* Examples of Medicare covered Part B Preventive Services include mammograms, Pap smears & pelvic exams, bone mass measurements, colon cancer screening, prostate screening, diabetes self-management training, Flu shot, pneumonia & hepatitis B vaccines, glaucoma screening, & medical nutritional therapy

\*\* Illustrative monthly plan rates based on 2006 nationally weighted averages. Not all plans available in all states due to individual state filings.

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## UHC/AARP Medigap Plans

		Medicare Pays	Beneficiary Responsibility	Plan F Pays	Plan K Pays	Plan L Pays
		Part A Hospital				
		Days 1-60	Balance after Deductible	100%	50% of Beneficiary amount	75% of Beneficiary amount
<b>Days 61-90</b>		Balance after Deductible	\$248 per day	100%	100%	100%
<b>Days 91-150</b>		Balance after Deductible	\$496 per day	100%	100%	100%
<b>Add'l 365 Days</b>		\$0	All Costs	100%	100%	100%
		Skilled Nursing Facility				
<b>Days 1-20</b>		All Costs	\$0	\$0	\$0	\$0
<b>Days 21-100</b>		Balance after Deductible	\$124 per day	100%	50% of Beneficiary Amount	75% of Beneficiary Amount
<b>Days 101 +</b>		\$0	All Costs	\$0	\$0	\$0
		Part B Medical Services				
<b>Deductible</b>		\$0	\$131	100%	\$0	\$0
<b>Coinsurance</b>		80%	20%	100%	50% of Beneficiary Amount	75% of Beneficiary Amount
<b>Monthly Premium*</b>				\$163	\$75	\$106

\* Illustrative monthly plan rates based on 2006 nationally weighted averages. Not all plans available in all states due to individual state filings.

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## **Medicare Rx Coverage**

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### **♦Medicare Rx**

- Prescription drug policy sold by private insurance companies**
- Must follow federal regulations**
- Carrier must be approved by Medicare**
- Must have Medicare Part A and B to enroll**
- Guaranteed issue and renewable if premiums continue to be paid**

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**DELPHI****UHC/AARP Medicare Rx Plan - 2007**

Tier	Type	Retail	Member Cost	Mail Order*
<b>1</b>	<b>Generic</b>		<b>\$6 copay</b>	<b>\$6 copay</b>
<b>2</b>	<b>Preferred Brand</b>		<b>\$28 copay</b>	<b>\$69 copay</b>
<b>3</b>	<b>Non-Preferred Brand</b>		<b>\$60 - \$72.35 copay</b>	<b>\$165 - \$202.05 copay</b>
<b>4</b>	<b>Specialty Drugs</b>		<b>33% coinsurance</b>	<b>33% coinsurance</b>

**Monthly premiums vary by region - \$24.40 - \$32 per member**

- Benefits shown above apply during the initial \$2,400 of member's Part D allowable expense
- Coverage gap begins when a member's Part D allowable expense reaches \$2,400 and continues until the "true" out-of-pocket costs reach \$3,850 paid by a member.
- Standard catastrophic coverage in accordance with Medicare regulations.

\* Mail Order – up to 90-day supply at preferred pharmacies  
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## Health Reimbursement Account

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- ◆ This account can be used by retirees to reimburse themselves for premiums paid for other coverage
  - Medicare B, C, D
  - Dental, Vision, Extended Care Coverage (ECC)
  - Post-tax contributions toward dependent coverage under other Employer Plan
- ◆ Administered by WageWorks
  - Currently administers all Delphi Health Reimbursement and Flexible Spending Accounts
- ◆ Administered on a reimbursement basis
  - Eligible expense must be incurred and paid for before filing
  - No reimbursement for future expense

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## Dental/Vision Coverages

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- ◆ Part of annual Enrollment Process
- ◆ Delphi coverages that may be continued (at retiree expense) after becoming eligible for Medicare:
  - Extended Care Coverage (ECC), if eligible (\$11 Single, \$22 Two-party)
    - Dental, if eligible (\$44 Single, \$88 Two-party)
    - Vision, if eligible (\$3 Single, \$6 Two-party)
- ◆ Retiree must continue coverage for themselves in order to cover dependents
- ◆ Extended Care Coverage (ECC), Dental and Vision may each be continued independently of the others or in any combination
- ◆ The election to continue any or all coverages must be made within 60 days of becoming Medicare eligible
- ◆ If coverages are ever discontinued (e.g., for non-payment, etc.), the enrollee will not be allowed to re-enroll

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## Dependent Provisions

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- ◆ Part of annual Enrollment Process
- ◆ Non-Medicare eligible dependents of a Medicare eligible retiree will be allowed to continue Medical/Rx coverage under the Delphi program for as long as they:
  - Meet normal dependent provisions; and
  - Are not Medicare eligible in the normal course.
- ◆ Medicare eligible dependents of a non-Medicare eligible retiree will be covered under the Delphi program until the retiree becomes Medicare eligible.
- ◆ Subject to normal contribution provisions
- ◆ Enrollment available only on non-HMO plan (limited POS availability)
- ◆ If coverage is ever discontinued for a dependent after the retiree becomes Medicare eligible, it may not be reinstated.

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# Retiree Health Care Communications Roll-out

## **DELPHI**

<b>Item</b>	<b>Audience</b>	<b>Medium</b>	<b>Date</b>
<b>Retiree Meetings</b> ◆ 2007 HealthCare changes ◆ Medigap/Retiree HRAs	Retirees (selected plant cities)	Face-to-Face	Weeks 10/9 and 10/16
<b>Retiree Medigap/Medicare Rx Enrollment Packages (from UHC/AARP)</b> ◆ Enrollment procedures ◆ Prices	Retirees losing Delphi coverage Jan./Feb. 2007	Letter/Mail	10/16
<b>Personalized letter with PIN for the on-line enrollment site</b>	Retirees	Letter/Mail	Week of 10/16
<b>Options! Enrollment</b>	Actives/Retirees	Web	10/23 to 11/10
<b>Retiree Medigap Enrollment Reminder</b>	Retirees losing Delphi coverage Jan./Feb. 2007	Postcard/Mail	11/6
<b>Retiree HRA Package (from WageWorks)</b> ◆ Amount of HRA ◆ Claims filing procedures	Retirees losing Delphi coverage Jan./Feb. 2007	Letter/Mail	11/22

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## Re-structure Health Care Plan

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- ◆ **Consolidate plans but maintain choice**
  - **One set of choices for all enrollees**
    - » **High deductible plan with new Health Savings Account (HSA) feature**
    - » **Normal deductible plan**
    - » **Point-of-Service plan (where available)**
    - » **Reduced number of HMOs**
- ◆ **Update cost sharing provisions**

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**DELPHI****2007 Medical Plans**

	<b>Current Design</b>	<b>New Design</b>
<b>Basic Medical Plan (BMP)</b>	Available	Eliminated
<b>Standard Medical Plan (SMP)</b>	Available (Employees hired after 2000)	Eliminated
<b>Standard Plus Medical Plan (SPMP)</b>	Available in certain areas with no POS (Employees hired after 2000)	Replaced by EMP
<b>Comprehensive Health Savings Plan (CHSP)</b>	Not Available	New
<b>Enhanced Medical Plan (EMP)</b>	Available	Available; modified design
<b>Health Maintenance Organizations (HMO)</b>	Available	Available; modified design
<b>Point-of-Service Plan (POS)</b>	Available	Available; modified design

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**DELPHI****2007 Medical Plans**

<b>High Deductible</b>		<b>Normal Deductible</b>	
<b>Old</b>	<b>Basic Medical Plan (BMP)</b> Deductible: \$900/\$1,800 Coinsurance: 25% Out-of-Pocket Maximum: \$2,500/\$5,000  Monthly Contributions: None	<b>Enhanced Medical Plan (EMP)</b> Deductible: \$300/\$600 Coinsurance: 20% Out-of-Pocket Maximum: \$1,300/\$2,600  Monthly Contribution: \$36 Single; \$97 Family	
<b>New</b>	<b>Comp. Health Savings Plan (CHSP)</b> Deductible: \$1,200/\$2,400 Coinsurance: 20% Out-of-Pocket Maximum: \$2,500/\$5,000  Monthly Contribution: None required, may contribute to HSA	<b>Enhanced Medical Plan (EMP)</b> Deductible: \$450/\$900 Coinsurance: 20% Out-of-Pocket Maximum: \$2,000/\$4,000  Monthly Contribution: \$40 Single; \$112 Family	

Note: Reflects In-Network cost sharing; Out-of-Network cost sharing is higher.

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## **2007 Medical Plans**

	<b>Point-of-Service (POS)</b>	<b>Health Maintenance Organizations (HMO)</b>
<b>Old</b>	Office Visit: ER Visit: Copayment:  Monthly Contribution:	\$15 \$50 \$100 Outpatient/ \$300 Inpatient  \$44 Single; \$119 Family
<b>New</b>	Office Visit: ER Visit: Copayment:  Monthly Contribution:	\$25 PCP/\$35 Specialist \$100 ER/\$50 Urgent \$150 Outpatient/ \$350 Inpatient  \$49 Single; \$151 Family

Note: Reflects In-Network cost sharing; Out-of-Network cost sharing is higher. HMO design is for most HMOs; however, individual HMOs may vary in some features.

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## 2007 Health Plan Designs

Major Cost Sharing Provisions	Comprehensive Health Savings Plan		Enhanced Medical Plan		Pos		HMO	
	(In Network)	(Out of Network)	(In Network)	(Out of Network)	(In Network)	(Out of Network)	(In-Network (No Out-of-Network Benefit)	
<b>Annual Deductible:</b>								
<b>Individual</b>	\$1,200		\$450		\$0	\$500	None	
<b>Family</b>	\$2,400		\$900		\$0	\$1,000	None	
<b>Coinurance:</b>								
<b>Plan Pays</b>	80%	60%	80%	60%	100%	80%	N/A	
<b>Enrollee Pays</b>	20%	40%	20%	40%	0%	20%	N/A	
<b>Copayments:</b>								
<b>Office Visit</b>	Subject to Deductible/ Coinsurance		\$25/PCP; \$35 Specialist		Subject to Deductible/ Coinsurance		\$20/PCP; \$30 Specialist	
<b>Inpatient/Outpatient</b>			\$350/\$150 (per admission)		Subject to Deductible/ Coinsurance		Subject to Deductible/ Coinsurance	
<b>Emergency/Urgent</b>			\$100/\$50		\$350/\$150 (per admission)		None	
<b>Out-of-Pocket Maximums:</b>								
<b>Individual</b>	\$2,500	None	\$2,000	None	None	\$2,500	None	
<b>Family</b>	\$5,000	None	\$4,000	None	None	\$5,000	None	
<b>Prescription Drug Plan</b>								
<b>Network Pharmacy:</b>		Subject to Deductible		Subject to Deductible		Subject to Deductible		
<b>Generic</b>	\$10		\$10		\$20	\$20	\$10	
<b>Preferred Brand</b>	\$20		\$20		\$40	\$40	\$20	
<b>Non-Preferred Brand</b>	\$40		\$40				\$40	
<b>Home Delivery:</b>								
<b>Generic</b>	\$20		\$20		\$20	\$20	\$20	
<b>Preferred Brand</b>	\$45		\$45		\$45	\$45	\$45	
<b>Non-Preferred Brand</b>	\$90		\$90		\$90	\$90	\$90	
<b>Monthly Contributions</b>								
<b>Enrollee</b>			\$40			\$49	\$31-\$99	
<b>Enrollee + Spouse</b>			\$80			\$98	\$62-\$198	
<b>Enrollee + Child(ren)</b>			\$76			\$103	\$56-\$178	
<b>Enrollee + Family</b>			\$112			\$151	\$87-\$277	

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## New Health Savings Plan

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### ♦Comprehensive Health Savings Plan (CHSP)

- No required Monthly Contributions
- Designed to satisfy Federal requirements for allowing Health Savings Accounts
- Deductible applies to all types of services including prescription drugs
- With Family coverage Family deductible must be met before plan pays
- UnitedHealthCare (UHC) is nationwide carrier for this plan

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## New Health Savings Plan

### ♦ Health Savings Account (HSA)

- Provides for tax-deductible contributions to individual account to pay for qualified health care expenses
- Account balances roll-over each year
- Earns interest/ investment returns
- Reimbursement from account is tax free if used for eligible medical expenses
- Exante Bank to provide Health Savings Account
- Exante will automatically send all enrollees who sign up for CHSP an HSA enrollment kit
- Exante not a requirement for CHSP; other HSA administrators acceptable
- Website: [ustreas.gov](http://ustreas.gov); click on “Health Savings Accounts HSA” link
- IRS Publication 969

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## 2007 Prescription Drug Design

Current (BMP, SMP, EMP, SPMP, POS)	New (CHSP, EMP, POS)
<b>Retail (34 day supply):</b> <b>Generic:</b> \$5 <b>Brand :</b> 25% <b>(\$15 minimum; \$35 maximum)</b>	<b>Retail (34 day supply):</b> <b>Generic:</b> \$10 <b>Preferred Brand :</b> \$20 <b>Non-Preferred Brand:</b> \$40
<b>Home Delivery (90 day supply):</b> <b>Generic:</b> \$12 <b>Brand:</b> \$40	<b>Home Delivery (90 day supply):</b> <b>Generic:</b> \$20 <b>Preferred Brand:</b> \$45 <b>Non-Preferred Brand:</b> \$90 <b>Open Formulary</b>

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## 2007 Prescription Drug Design

Current (Most HMO Plans)		New (Most HMO Plans)	
Retail:		Retail:	
Generic:	\$7	Generic:	\$10
Brand :	\$15	Preferred Brand :	\$20
		Non-Preferred Brand:	\$40
Home Delivery (if available):		Home Delivery (if available):	
Generic:	Varies	Generic:	\$20
Brand:	Varies	Preferred Brand:	\$45
		Non-Preferred Brand:	\$90
Some Closed Formularies		More Closed Formularies	

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## 2007 Traditional Dental Plan Design

Traditional Dental	
Old	<ul style="list-style-type: none"> <li>◆ Preventative (Routine exam, prophylaxes)</li> <li>◆ Basic (X-Rays, fillings, root canal, extractions, crowns)</li> <li>◆ Major (Dentures, bridges)</li> <li>◆ Orthodontia</li> </ul> <p><b>Annual Maximum:</b></p> <p><b>Lifetime Orthodontia Maximum:</b></p> <p><b>Contributions:</b></p> <p><b>\$6 Single; \$15 Family</b></p>
New	<ul style="list-style-type: none"> <li>◆ Preventative (Routine exam, prophylaxes)</li> <li>◆ Basic (X-Rays, fillings, root canal, extractions)</li> <li>◆ Major (Dentures, bridges, crowns, implants)</li> <li>◆ Orthodontia</li> <li>◆ Change Carrier to CIGNA</li> </ul> <p><b>Annual Maximum:</b></p> <p><b>Lifetime Orthodontia Maximum:</b></p> <p><b>Contributions:</b></p> <p><b>\$1,700</b></p> <p><b>\$2,000</b></p> <p><b>\$6 Single; \$15 Family</b></p>

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## HMOs

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- ◆ Salaried HMO rates for 2007 came in at a 17.8% increase
- ◆ Some HMOs are significantly more expensive than the Traditional (self-insured) plans
- ◆ Too many HMOs dilute rate negotiations leverage
- ◆ Consider consolidation/elimination
- ◆ Criteria for consolidation/elimination:
  - Significant rate increase and/or significantly more than Traditional
  - More than one HMO available
  - POS available
  - Low Enrollment

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## HMOs

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### ♦Consolidate

- Indiana
  - »Drop: M-Plan and CIGNA
  - »Keep: Advantage
- Warren
  - »Drop: Blue Preferred
  - »Keep: Health Assurance
- Dayton
  - »Drop: Blue Preferred
  - »Keep: United HealthCare
- S. California
  - »Drop: Pacificare and Kaiser
  - »Keep: HealthNet
- ♦Eliminate
  - Sandusky-Blue Preferred
  - New Jersey-CIGNA
  - Columbus-Blue Preferred
  - Arizona-CIGNA
  - Milwaukee-UHC
  - All Medicare HMOs
- ♦Declined to Renew
  - Kaiser (OR/WA)
  - Blue-Care (KS/MO)

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# **Back-up Slides**

## **Health Care Redesign**

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# DELPHI

## Medicare Part A

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- ♦ Covers Inpatient Hospital and Skilled Nursing Facility Care
- ♦ Premium: None
- ♦ Cost Sharing (2007):
  - Hospital Care
    - » Day 1-60: \$992 deductible
    - » Day 61-90: \$248 co-pay per day
    - » Day 91-150: \$496 co-pay per day
    - » Over 150 Days: All cost
  - Skilled Nursing Facility
    - » Day 1-20: \$0 per day
    - » Day 21-100: Up to \$124 co-pay per day
    - » Over 100 Days: All cost

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# DELPHI

## Medicare Part B

- ◆ **Part B (Outpatient and Medical Services)**
  - **Covered Services**
    - » Outpatient Surgeries
    - » Office Visits
    - » Ambulance
    - » Lab/X-rays
  - **Premium (2007):**
    - \$1,122 annually per person (standard); Sliding scale for higher incomes (up to \$1,945.20 annually)
  - **Cost Sharing (2007):**
    - » Deductible:
    - » Coinsurance:
  - **\$131 annually per person**
    - 20% of allowed charges

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# DELPHI

## Medicare Part D

- ◆ **Part D (Prescription Drugs) CMS Standard Design for 2007**
  - Premium:
    - Deductible: \$265 annually per person\*
    - Coinsurance:
      - 25% of the next \$2,135 of expense; 100% of expenses between \$2,400 and \$5,451.25; and 5% of all expenses above \$5,451.25 i.e., after Retiree Out-of-Pocket [deductible + coinsurance] reaches \$3,850)\*

\* This is the government's suggested benefit design and is shown for informational purposes only.

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# DELPHI

## Medicare Part C

### ♦ Medicare Advantage Plans

- Medicare Advantage Plans are health plan options that are part of the Medicare program.
- If you join one of these plans, you generally get all your Medicare-covered health care through that plan.
- This coverage can include prescription drug coverage.
- Medicare pays a set amount of money for your care every month to private health plans whether or not you use services.
- In most of these plans, generally there are extra benefits and lower copayments than in the Original Medicare plan.
- You may have to see doctors that belong to the plan or go to certain hospitals to get services.

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# **DELPHI**

## **2007 Prescription Drug Design**

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- ◆ Prescription Drug coverage for non-HMO plans include certain utilization management requirements:
  - Continuing/Expanded
    - » “Maintenance at Mail”
    - » Prior Authorization
    - » Dose Duration/Quantity Edits
    - » Step Therapy
    - » Dose Optimization
  - New
    - » Preferred Coverage Review
    - » Enrollee Awareness Mailings
    - » Savings Advisor Tool
- ◆ Most HMOs have similar programs

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# DELPHI

## Pharmacy Management Tools\*

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- ◆ Maintenance at Mail

- Promotes Home Delivery for certain long-term medications for conditions such as high blood pressure or high cholesterol.
- If enrollee continues to fill the prescription at a participating retail pharmacy, after the original fill plus two refills, he/she is responsible for 100% of the cost for the drug.
- Reminder letters are sent to enrollees filling a new Rx for these medications at retail.

- » Examples:

- ◆ Lipitor
- ◆ Zocor
- ◆ Singulair

\* Applies to non-HMO plans; HMOs have similar programs

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# DELPHI

## Pharmacy Management Tools\*

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### ◆ Prior-Authorization

- Confirms diagnosis and other clinical information before the medication is dispensed.
- Safeguard to ensure FDA approved uses or common medically acceptable uses.

### » Examples:

- ◆ Alzheimers Agents
- ◆ Growth Hormones
- ◆ Multiple Sclerosis Agents
- ◆ Retin-A
- ◆ CNS-stimulants
- ◆ Anti-narcolepsy agents

\* Applies to non-HMO plans; HMOs have similar programs

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# DELPHI

## Pharmacy Management Tools\*

- ◆ **Dose Duration and Quantity Edits**
  - Promotes dosing or length of therapy consistent with recommended or commonly acceptable medical practice
  - Limits quantity per prescription fill to FDA recommended or common dosing guidelines.
- » **Examples:**
  - ◆ **Erectile Dysfunction drugs**
  - ◆ **Toenail/Fingernail Antifungal medications**
  - ◆ **Migraine Headache drugs**
  - ◆ **Hypnotics (sleep agents)**

\* Applies to non-HMO plans; HMOs have similar programs

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# DELPHI

## Pharmacy Management Tools\*

- ◆ Step Therapy
  - Ensures treatment is evidence-based or follows commonly accepted guidelines by having patients use acceptable first line therapies initially for treatment.
- » Examples:
  - ◆ Rheumatoid Arthritis Medications
  - ◆ Cox-II Inhibitors (Celebrex)

\* Applies to non-HMO plans; HMOs have similar programs

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# DELPHI

## Pharmacy Management Tools\*

### Dose Optimization

- Promotes one pill per day dosing (same total daily dose) versus multiple pills per day, for drugs that are dosed once daily.

#### » Examples:

- ◆ **Nexium**
- ◆ **Prevacid**
- ◆ **Lipitor**
- ◆ **Zocor**
- ◆ **Lexapro**
- ◆ **Zoloft**

\* Applies to non-HMO plans; HMOs have similar programs

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# DELPHI

## Pharmacy Management Tools\*

- ◆ Preferred Coverage Review
  - Promotes use of generics and/or preferred brand name medications.
  - Non-preferred agents are available pursuant to coverage review when the prescriber demonstrates medical/clinical necessity.
    - » Examples:
      - ◆ Gastrointestinal: Proton Pump Inhibitors
        - Target Drugs: Aciphex, Prevacid, Protonix
        - Preferred Drugs: omeprazole, Nexium
      - ◆ Antidepressants: Selective Serotonin Reuptake Inhibitors
        - Target Drugs: Lexapro
        - Preferred Drugs: citalopram, fluoxetine, paroxetine, sertraline

\* Applies to non-HMO plans; HMOs have similar programs

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# DELPHI

## Pharmacy Management Tools\*

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- ◆ Preferred Drug Management
- Enrollee Awareness Mailings
- Promotes use of generics and/or preferred brand name medications through education of available lower cost options.
- » Example: Cholesterol Lowering Medications
  - ◆ Target Drugs: Lipitor, Lescol XL, Crestor
  - ◆ Preferred Drugs: generics (simvastatin, lovastatin, pravastatin)

\* Applies to non-HMO plans; HMOs have similar programs

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# DELPHI

## Pharmacy Management Tools

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- ◆ **Savings Advisor Tool**
  - Interactive tool available at [medco.com](http://medco.com)
  - Assists in identifying potential cost-saving alternatives for current or future prescriptions.
  - Allows printing of information to talk with doctor about medication alternatives.
  - Allows printing of a fax form that doctor can use to request a new prescription for one of the alternative drugs.

\* Applies to non-HMO plans

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# DELPHI

## Dental Design

- ◆ “Preventative” includes routine oral examinations and prophylaxes (no more than two per year), application of fluoride for persons under age 14, space maintainers for persons under age 19 and emergency treatment.
- ◆ “Basic” includes full-mouth X-rays every 5 years, bitewings every 24 months, amalgam and composite fillings, root canal therapy, simple and surgical extractions and treatment of diseases of the gums and mouth.
- ◆ “Major” includes porcelain or full cast crowns and prosthodontics (complete dentures, chrome, acrylic or chrome cast partial dentures and a full cast or porcelain fused fixed bridge).
- ◆ “Orthodontia” includes teeth straightening for persons under age 19

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# DELPHI

## Health Reimbursement Account

- ◆ Amount per retiree based on retirement date
  - \$20,000: Retired on or before March 1, 2005
  - \$10,000: Retired after March 1, 2005
- ◆ Applies to pre-1993 hires only
- ◆ At the point of Medicare eligibility, Delphi will create a “notional” account that can be utilized to defray the cost of other coverage
- ◆ This Health Reimbursement Account allows unused amounts to be rolled over to subsequent years

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# DELPHI

## Health Reimbursement Account

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- ◆ This account can be used by retirees to reimburse themselves for premiums paid for other coverage (e.g., Medigap, Medicare Part B, Medicare Part D)
- ◆ The account does not accumulate interest, is not funded, is not a taxable event and the retiree may not elect to cash it out
- ◆ Delphi contributes cash only when retirees seek reimbursement for eligible expenses

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# DELPHI

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## Resources

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- ◆ **National Benefit Center:** [delphinbc.com](http://delphinbc.com)
  - Enrollment
  - Benefit Summaries
- ◆ **Medicare:** [medicare.gov](http://medicare.gov)
  - “Medicare & You”
  - “Choosing a Medigap Plan”
  - Prescription Drug Plan Finder
- ◆ **Health Savings Accounts:** [ustreas.gov](http://ustreas.gov) and [irs.gov](http://irs.gov)
  - Tax-Favored Health care Accounts
  - IRS Publications
    - » No. 502 : Qualified Medical Expenses
    - » No. 969: Health Savings Accounts

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# DELPHI

## EMP/CHSP Preventive Services

Procedure	Frequency/Age Limit
Gynecological Exam w/ PAP Smear	<b>1 per benefit year, no age limit</b>
Proctosigmoidoscopy	<b>1 every 36 months, age 40 and over.</b>
Mammogram (Female and Male)	<b>1 per benefit year, age 40 and over.</b>
Prostate Specific Antigen (PSA)	<b>1 per benefit year, age 40 and over.</b>
Routine Physical Exam, including -Chest x-ray -EKG -Routine lab	<b>1 per benefit year.</b>
Well Baby/Well Child (Routine Physical Exam)	<b>Well Baby/Child – unlimited frequency thru age 6; annually after 6 years</b>
Sigmoidoscopy	<b>1 every 5 years at age 50 and over. Only one of either this or colonoscopy or barium enema is covered.</b>

**Note: First routine /diagnostic service received from network provider  
is paid at 100%**

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# DELPHI

## EMP/CHSP Preventive Services

Procedure	Frequency/Age Limit
Colonoscopy	1 every 10 years at age 50 and over. Only one of either this or sigmoidoscopy or barium enema is covered.
Barium Enema X-ray	1 every 5 years at age 50 and over. Only one of either this or sigmoidoscopy or colonoscopy is covered.
Fecal Occult Blood	1 per Benefit Year at age 50 and over.
Total Serum Cholesterol	1 every 5 years starting at age 20

**Note: First routine /diagnostic service received from network provider is paid at 100%**

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# **DELPHI**

## **EMP/CHSP Preventive Services**

<b>Procedure</b>	<b>Frequency/Age Limit</b>
<b>Immunizations:</b> <b>Pediatric and Adult</b> <b>Plus Rabies Vaccine</b>  <b>(Payable at 100%</b> <b>when received in</b> <b>network)</b>	<p><b>Child 6 years and younger :</b></p> <ul style="list-style-type: none"> <li>-5 primary doses of DTP</li> <li>-4 doses IPV</li> <li>-4 doses of HIB</li> <li>-4 doses PCV</li> </ul> <p><b>Child age 1 through age 12:</b></p> <ul style="list-style-type: none"> <li>-2 doses MMR</li> <li>-1 dose VAR</li> </ul> <p><b>Child between 11 and 12 (if at least 5 years have lapsed since prior tetanus and diphtheria) :</b></p> <ul style="list-style-type: none"> <li>-TD Booster</li> </ul> <p><b>Child birth through age 18:</b></p> <ul style="list-style-type: none"> <li>-4 doses of hepatitis B vaccine</li> <li>-2 doses VAR</li> </ul> <p><b>Adult Vaccines:</b></p> <ul style="list-style-type: none"> <li>- One dose PPV for 65 and older</li> <li>- One TD booster vaccine every 10 years.</li> </ul> <p><b>Adult and Children Vaccines</b></p> <ul style="list-style-type: none"> <li>- Rabies</li> <li>- Influenza one per benefit year.</li> </ul>

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# DELPHI

## CHSP Preventive Services

Procedure	Frequency/Age Limit
<b>Prescription Drugs (Subject to normal co-payment)</b>	<ul style="list-style-type: none"><li>- Oral contraceptives</li><li>- Geriatric, pediatric, and prenatal vitamins (only prescription legend; no OTC)</li><li>- Smoking cessation agents (mail order only)</li><li>- Fluoride preparations</li><li>- Disulfiram</li></ul>

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